

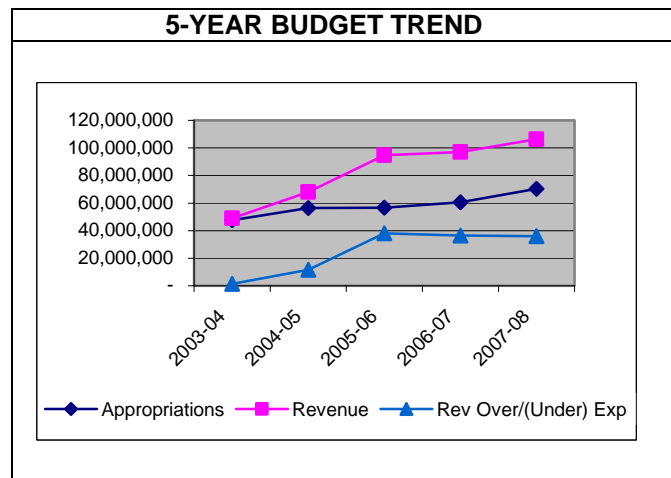
Insurance Programs

DESCRIPTION OF MAJOR SERVICES

Risk Management administers the county's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs and its insured programs. All programs are paid from self-insurance funds and financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas. Each agency is billed for their specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs.

There is no staffing associated with this budget unit.

BUDGET HISTORY



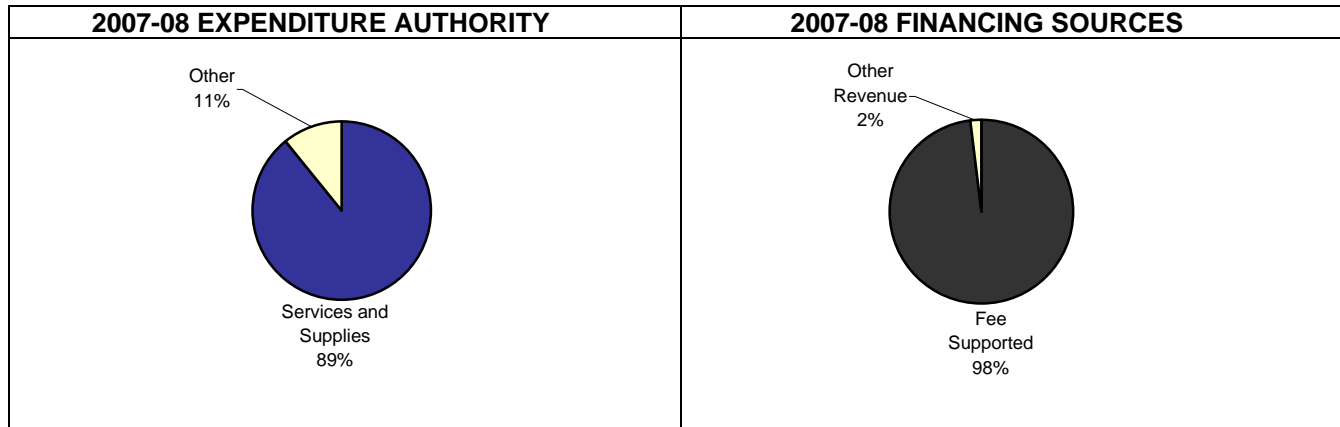
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	56,585,885	47,913,728	59,670,550	60,686,873	52,702,580
Departmental Revenue	50,845,461	69,026,882	100,296,168	97,127,583	111,608,174
Revenue Over/(Under) Exp	(5,740,424)	21,113,154	40,625,618	36,440,710	58,905,594
Budgeted Staffing				-	
Fixed Assets	-	-	-	-	-
Unrestricted Net Assets Available at Year End	(55,689,581)	(47,077,608)	(15,997,800)		16,160,032

In 2006-07, appropriation is less than budget due to lower than anticipated claims expenditures. In addition, total financing is higher than budget primarily resulting from increased interest revenue, unbudgeted subrogation and claims cost recoveries, and receipt of an operating transfer for \$1.64 million from the Risk Management Operations budget unit to return remaining prior year fund balance. In addition, unrestricted net assets have been building as a result of the department's efforts to obtain 80% confidence levels in the insurance funds as recommended by actuarial analysis.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Risk Management
FUND: Risk Mgmt - Insurance Programs

BUDGET UNIT: Various
FUNCTION: General
ACTIVITY: Other General

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	48,565,383	41,822,987	48,601,816	45,834,700	53,786,897	62,781,757	8,994,860
Other Charges	311,969	414,702	339,709	349,406	430,000	380,000	(50,000)
Transfers	515,265	558,677	575,022	619,169	619,169	619,995	826
Total Appropriation	49,392,617	42,796,366	49,516,547	46,803,275	54,836,066	63,781,752	8,945,686
Operating Transfers Out	7,193,268	5,117,362	10,154,003	5,899,305	5,850,807	6,552,321	701,514
Total Requirements	56,585,885	47,913,728	59,670,550	52,702,580	60,686,873	70,334,073	9,647,200
Departmental Revenue							
Use of Money and Prop	223,706	296,562	659,430	3,982,629	346,083	2,034,683	1,688,600
State, Fed or Gov't Aid	-	24,812	-	-	-	-	-
Current Services	47,196,390	68,503,274	99,288,830	105,748,141	96,745,000	104,255,000	7,510,000
Other Revenue	30,444	145,028	306,348	186,424	36,500	36,500	-
Total Revenue	47,450,540	68,969,676	100,254,608	109,917,194	97,127,583	106,326,183	9,198,600
Operating Transfers In	3,394,921	57,206	41,560	1,690,980	-	-	-
Total Financing Sources	50,845,461	69,026,882	100,296,168	111,608,174	97,127,583	106,326,183	9,198,600
Rev Over/(Under) Exp	(5,740,424)	21,113,154	40,625,618	58,905,594	36,440,710	35,992,110	(448,600)

Services and supplies of \$62,781,757 includes judgment and settlement costs, medical treatment and expenses, temporary disability and loss earnings, property insurance, and legal defense services. The \$8,994,860 increase is due to increased claims costs and premium costs for excess insurance in all insured and self-insured funds.

Other charges of \$380,000 include costs for taxes and assessments by the State of California for the worker's compensation self insurance plans.

Transfers of \$619,995 represent average salary and benefit costs for 6.0 Safety Specialists and 1.0 Workers' Compensation Adjuster, funded by various sub funds resulting from Board of Supervisor's actions.

Operating transfers out of \$6,552,321 represent funding for the Operations division. The \$701,514 increase is due to staffing adjustments, increased COWCAP charges, equipment replacement needs, inflation, and Human Resources services.

Departmental revenue of \$106,326,183 includes \$104,255,000 in insurance premiums collected from user departments. The \$7.5 million increase over last year is due to a Board of Supervisors approved rate change to pay for premiums and increase self-insured funding levels to the 80% acceptable confidence level based on actuarial analysis. Also included is \$2.0 million in interest earnings, an estimated \$1.7 million increase over last year based on anticipated fund balances, and \$36,500 in anticipated subrogation and claims cost recovery revenue.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Confidence level achieved in self-insured funds as determined by actuarial analysis.	New	57%	80%

In 2001, a commitment was made to restore the self-insured fund balances to the marginally acceptable 70% confidence level by 2008. In 2006-07, the department increased that commitment to 80% confidence levels as recommended by actuarial analysis. Risk Management implemented a five year recovery plan that accounts for the liquidation of a Guaranteed Investment Contract (GIC) in the amount of \$52.5 million at the end of 2008. This will aid the department in achieving the 80% confidence level by the end of the fiscal year.

